



THOMAS L. GARTHWAITE, M.D.
Director and Chief Medical Officer

FRED LEAF
Chief Operating Officer

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES
313 N. Figueroa, Los Angeles, CA 90012
(213) 240-8101

BOARD OF SUPERVISORS

Gloria Molina
First District

Yvonne Brathwaite Burke
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Fourth District

Michael D. Antonovich
Fifth District

September 8, 2005

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

FISCAL YEAR 2004-05 YEAR-END APPROPRIATION ADJUSTMENT
(All Districts) (4 Votes)

IT IS RECOMMENDED THAT YOUR BOARD:

1. Approve the attached Fiscal Year (FY) 2004-05 Year-End Appropriation Adjustment (AA) (Attachment I) for the Department of Health Services (DHS) to increase the designation balance, as of June 30, 2005, to \$403.9 million, comprised of a \$6.6 million Fiscal Year 2004-05 actual operating surplus, and an existing \$397.3 million designation balance from prior fiscal years; and to reallocate certain appropriations and revenues within the Department to align them with FY 2004-05 final experience. This AA also increases the reserve account for long-term receivables from the designation for estimated Cost Based Reimbursement Clinics (CBRC) collections by \$38.4 million from \$126.9 million to \$165.3 million.
2. Approve the attached FY 2004-05 AA (Attachment II) to reallocate and adjust the appropriation and revenue related to the Personal Assistance Services Council-Service Employees International Union (PASC-SEIU), In-Home Supportive Services (IHSS) Health Care Plan in accordance with FY 2004-05 final experience and to reduce the transfer of funding to the Department of Public Social Services (DPSS) by \$0.6 million.
3. Approve the attached FY 2004-05 AA (Attachment III) to realign the available funding for the Measure B Special Revenue fund in accordance with FY 2004-05 final experience.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTIONS:

The Board's approval of these AAs (Attachments I - III) for FY 2004-05 will:

1. Increase total DHS funds, as of June 30, 2005, to \$403.9 million in the designation, comprised of a \$6.6 million FY 2004-05 actual operating surplus (Attachment IV) and the existing \$397.3 million designation balance from prior fiscal years. The \$403.9

million in the designation is \$0.1 million less than the forecast in our June 20, 2005 DHS Fiscal Outlook.

2. Reallocate certain appropriations and revenues within DHS to align them with the Department's FY 2004-05 final experience.
3. Increase the reserve account for long-term receivables from the designation for estimated CBRC collections by \$38.4 million from \$126.9 million to \$165.3 million. This reserve was setup at the end of FY 2003-04 by the Auditor-Controller (A-C) to account for long-term receivables relating to CBRC revenue payments, for which services had been provided, however payment was not expected within twelve months of the end of the previous fiscal year. The increase of \$38.4 million to this amount relates to additional payments for CBRC services provided through June 30, 2005, that will not likely be received by June 30, 2006. The expected delay in receiving these payments from the State is due to the time being taken to complete their annual audits of CBRC cost reports. Since the State is paying us for CBRC services based on highly conservative interim rates, pending completion of its CBRC cost report audits, the interim payments are expected to be much less than the final reimbursement made after audit completion. The consequence of placing a portion of the designation balance in the reserve account is that such funds are not available for use in the following fiscal year. This reserve is being transferred to the Tobacco Settlement designation in FY 2005-06, and therefore, will not restrict use of the DHS designation next fiscal year, but could restrict use of the Tobacco Settlement designation.
4. Align DHS appropriations and revenues related to the PASC-SEIU IHSS Health Care Plan with FY 2004-05 final experience, and reduce the transfer of funding to DPSS by \$0.6 million resulting from lower than expected operating activity.
5. Align Appropriations Measure B Special Revenue fund in accordance with FY 2004-05 final experience.

FISCAL IMPACT/FINANCING:

The recommended actions adjust the various Departmental budgets to reflect DHS' actual financial experience for FY 2004-05. It also increases the designation balance to \$403.9 million, as of June 30, 2005, of which \$165.3 is in a reserved account for long-term receivables from the designation for estimated CBRC collections.

On December 2, 2003 your Board approved A-C recommended guidelines for monitoring the LAC+USC Medical Center Accumulative Capital Outlay (ACO) Fund established in FY 1998-99 for the purpose of purchasing new equipment for the LAC+USC Medical Center Replacement Project. In accordance with those guidelines, we are reporting that \$108.7 million resides in the Provisional Financing Uses of the ACO fund as of June 30, 2005. This includes \$2.2 million in interest that was earned on the balance in FY 2004-05 and \$0.3 million in parking fees. No expenditures have been made to date from the ACO fund, and no encumbrances have been established.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS:

Not applicable.

The Honorable Board of Supervisor
September 8, 2005
Page 3

CONTRACTING PROCESS:

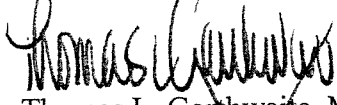
Not applicable.

IMPACT ON CURRENT SERVICES (OR PROJECTS):

This Year-End AA has no impact on current services.

When approved, this Department requires three signed copies of the Board's action.

Respectfully submitted,



Thomas L. Garthwaite, M.D.
Director and Chief Medical Officer

TLG:mm

Attachments (5)

c: Chief Administrative Officer
County Counsel
Executive Officer, Board of Supervisors
Auditor-Controller

DHS Closing BA 04-05 (2).wpd

76R 352M 11/83

COUNTY OF LOS ANGELES
REQUEST FOR APPROPRIATION ADJUSTMENTDEPT'S.
No.

DEPARTMENT OF Health Services

August 24, 2005

AUDITOR-CONTROLLER.

THE FOLLOWING APPROPRIATION ADJUSTMENT IS DEEMED NECESSARY BY THIS DEPARTMENT. WILL YOU PLEASE REPORT AS TO ACCOUNTING AND AVAILABLE BALANCES AND FORWARD TO THE CHIEF ADMINISTRATIVE OFFICER FOR HIS RECOMMENDATION OR ACTION.

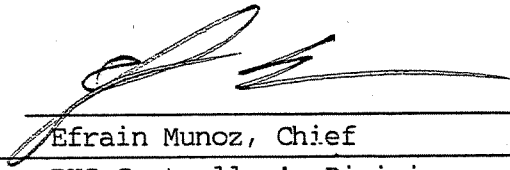
ADJUSTMENT REQUESTED AND REASONS THEREFOR

BUDGET ADJUSTMENT
FISCAL YEAR 2004-05
4-VOTE

Please see attached for details.

Justification:

This budget adjustment is necessary to reallocate and adjust appropriation and revenue within the Department of Health Services (DHS) specifically related to the Personal Assistance Service Council-Services Employees International Union (PASC-SEIU), In-Home Support Services (IHSS) Health Care Plan, and to recover \$0.647 million of unused funding from the Department of Public Social Services (DPSS).

EM:fl
08/24/05
Efrain Munoz, Chief

DHS-Controller's Division

CHIEF ADMINISTRATIVE OFFICER'S REPORT

REFERRED TO THE CHIEF
ADMINISTRATIVE OFFICER FOR—

ACTION

RECOMMENDATION

APPROVED AS REQUESTED

AS REVISED

September 8, 2005


DAVID E. JACKSON
CHIEF ADMINISTRATIVE OFFICERAPPROVED (AS REVISED):
BOARD OF SUPERVISORS

19

AUDITOR-CONTROLLER BY

No. 397

AUG. 16 2005

BY

DEPUTY COUNTY CLERK

SEND 6 COPIES TO THE AUDITOR-CONTROLLER

DEPARTMENT OF HEALTH SERVICES
IHSS HEALTH BENEFITS PROGRAM
FISCAL YEAR 2004-05

4-VOTE

SOURCES:**LAC+USC Healthcare Network**

MN4-HG-60010-9912

Operating Subsidy \$ 361,000

Total Northeast Area \$ 361,000**Coastal Area (H/UCLA Medical Center)**

MN1-HH-60020-9912

Operating Subsidy \$ 112,000

Total Coastal Area \$ 112,000**Southwest Area (MLK/D Medical Center)**

MN5-HK-60030-9912

Operating Subsidy \$ 134,000

Total Southwest Area \$ 134,000**San Fernando Valley Area (OV/UCLA Medical Center)**

MN3-HO-60050-9912

Operating Subsidy \$ 24,000

Total San Fernando Valley Area \$ 24,000**Antelope Valley Area (High Desert Hospital)**

MN6-HD-60060-9912

Operating Subsidy \$ 17,000

Total Antelope Valley Area \$ 17,000**Total Enterprise Fund**\$ 648,000**USES:****LAC+USC Healthcare Network**

MN4-HG-60010-942A

CHP Medi-Cal (IHSS) Revenue \$ 361,000

\$ 361,000**Coastal Area**

MN1-HH-60020-942A

CHP Medi-Cal (IHSS) Revenue \$ 112,000

\$ 112,000**Southwest Area**

MN5-HK-60030-942A

CHP Medi-Cal (IHSS) Revenue \$ 134,000

\$ 134,000**San Fernando Valley Area**

MN3-HO-60050-942A

CHP Medi-Cal (IHSS) Revenue \$ 24,000

\$ 24,000**Antelope Valley Area**

MN6-HD-60060-942A

CHP Medi-Cal (IHSS) Revenue \$ 17,000

\$ 17,000\$ 648,000

BA #397. AUG. 16, 2005

DEPARTMENT OF HEALTH SERVICES
IHSS HEALTH BENEFITS PROGRAM
FISCAL YEAR 2004-05

4-VOTE

SOURCES:

Office of Managed Care
AO1-HP-19975-942A
CHP Medi-Cal (IHSS) Revenue

\$1,000

USES:

General Fund Subsidy - (LAC+USC Healthcare Network)

AO1-AC-21224-6100
Operating Transfers Out \$ 361,000

General Fund Subsidy - (Coastal Area)

AO1-AC-21226-6100
Operating Transfers Out 112,000

General Fund Subsidy - (Southwest Area)

AO1-AC-21228-6100
Operating Transfers Out 134,000

General Fund Subsidy - (San Fernando Valley Area)

AO1-AC-21232-6100
Operating Transfers Out 24,000

General Fund Subsidy - (Antelope Valley Area)

AO1-AC-21234-6100
Operating Transfers Out 17,000

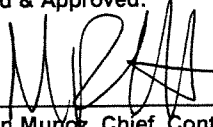
Total General Fund \$ 1,000

\$ 648,000

Total Department \$ 649,000

\$ 1,296,000

Noted & Approved:

 for EM

Efrain Munoz, Chief, Contoller's Division
Department of Health Services

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BA#397 AUG. 16, 2005

DEPARTMENT OF PUBLIC SOCIAL SERVICES
IHSS HEALTH BENEFITS PROGRAM
FISCAL YEAR 2004-05

4-VOTE

SOURCES:

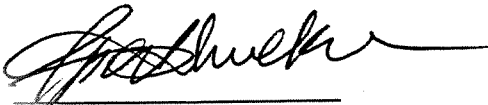
A01-SS-26410-2000
IHSS-Services and Supplies \$ 647,000

Total Department \$ 647,000

USES:

\$ -

Noted & Approved:



Collins Nweke, Director, Fiscal Operations
Department of Public Social Services

BA#397 AUG. 16, 2005

COUNTY OF LOS ANGELES
REQUEST FOR APPROPRIATION ADJUSTMENTDEPT'S.
No.

DEPARTMENT OF

Health Services

August 24, ~~19~~ 2005

AUDITOR-CONTROLLER.

THE FOLLOWING APPROPRIATION ADJUSTMENT IS DEEMED NECESSARY BY THIS DEPARTMENT. WILL YOU PLEASE REPORT AS TO ACCOUNTING AND AVAILABLE BALANCES AND FORWARD TO THE CHIEF ADMINISTRATIVE OFFICER FOR HIS RECOMMENDATION OR ACTION.

ADJUSTMENT REQUESTED AND REASONS THEREFOR

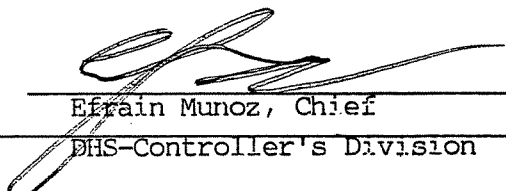
BUDGET ADJUSTMENT
FISCAL YEAR 2004-05
4-VOTE

Please see attached for details.

Justification:

This budget adjustment is necessary to properly reflect total DHS surplus funds in the Hospital Enterprise Funds, increase to \$403.9 million the DHS Hospital Enterprise Fund Designation for future use, and reallocate closing appropriation and revenues within DHS. This budget adjustment does not affect Operating Subsidy.

EM:mm
08/24/05


Efrain Munoz, Chief

DHS-Controller's Division

CHIEF ADMINISTRATIVE OFFICER'S REPORT

REFERRED TO THE CHIEF
ADMINISTRATIVE OFFICER FOR—

ACTION

RECOMMENDATION

APPROVED AS REQUESTED

AS REVISED

September 8, 2005


DAVID TASSEN
CHIEF ADMINISTRATIVE OFFICER
APPROVED (AS REVISED):
BOARD OF SUPERVISORS

19

AUDITOR-CONTROLLER BY

BY

No.

398

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19

BY

DEPUTY COUNTY CLERK

DEPARTMENT OF HEALTH SERVICES
YEAR-END BUDGET ADJUSTMENT
FISCAL YEAR 2004-05

4-VOTE

SOURCES:

LAC+USC Healthcare Network

MN4-HG-60010-3306	
Approp. For Cont-Canc (A/P& Commit)	\$ 1,741,000
MN4-HG-60010-1000	
Salaries & Employee Benefits	15,507,000
MN4-HG-60010-2000	
Services and Supplies	7,137,000
MN4-HG-60010-6100	
Other Financing Uses	78,997,000
MN4-HG-60010-9911	
Operating Transfer In	10,887,000
Total Northeast Area	<u>\$ 114,269,000</u>

Coastal Area (H/UCLA Medical Center)

MN1-HH-60020-3306	
Approp. For Cont-Canc (A/P& Commit)	\$ 997,000
MN1-HH-60020-1000	
Salaries & Employee Benefits	2,139,000
MN1-HH-60020-2000	
Services and Supplies	3,687,000
MN1-HH-60020-6100	
Other Financing Uses	37,555,000
MN1-HH-60020-9910	
Operating Transfers In - Measure B	4,097,000
MN1-HH-60020-9911	
Operating Transfer In	9,932,000
Total Coastal Area	<u>\$ 58,407,000</u>

Southwest Area (MLK/D Medical Center)

MN5-HK-60030-3306	
Approp. For Cont-Canc (A/P& Commit)	\$ 784,000
MN5-HK-60030-1000	
Salaries & Employee Benefits	2,613,000
MN5-HK-60030-2000	
Services and Supplies	1,349,000
MN5-HK-60030-6100	
Other Financing Uses	18,516,000
MN5-HK-60030-9910	
Operating Transfers In - Measure B	2,809,000
MN5-HK-60030-9433	
Medi-Cal	14,883,000
Total Southwest Area	<u>\$ 40,954,000</u>

USES:

LAC+USC Healthcare Network

MN4-HG-60010-5500	
Other Charges	\$ 73,757,000
MN4-HG-60010-9910	
Operating Transfers In - Measure B	23,990,000
MN4-HG-60010-9433	
Medi-Cal	16,522,000
	<u>\$ 114,269,000</u>

Coastal Area

MN1-HH-60020-5500	
Other Charges	\$ 45,952,000
MN1-HH-60020-9433	
Medi-Cal	12,455,000
	<u>\$ 58,407,000</u>

Southwest Area

MN5-HK-60030-5500	
Other Charges	\$ 33,252,000
MN5-HK-60030-9911	
Operating Trans In	7,702,000
	<u>\$ 40,954,000</u>

BA#398 AUG. 22, 2005

DEPARTMENT OF HEALTH SERVICES
YEAR-END BUDGET ADJUSTMENT
FISCAL YEAR 2004-05

4-VOTE

SOURCES:

Rancho Los Amigos Medical Center

MN7-HR-60040-3306	
Approp. For Cont-Canc (A/P& Commit)	\$ 21,000
MN7-HR-60040-1000	
Salaries & Employee Benefits	13,189,000
MN7-HR-60040-2000	
Services & Supplies	8,860,000
MN7-HR-60040-6100	
Other Financing Uses	20,046,000
Total Rancho Los Amigos	<u>\$ 42,116,000</u>

USES:

Rancho Los Amigos Medical Center

MN7-HR-60040-5500	
Other Charges	\$ 16,258,000
MN7-HR-60040-9911	
Operating Transfer In	11,906,000
MN7-HR-60040-9912	
Operating Subsidy	7,936,000
MN7-HR-60040-9433	
Medi-Cal	6,016,000
	<u>\$ 42,116,000</u>

San Fernando Valley Area (OV/UCLA Medical Center)

MN3-HO-60050-3306	
Approp. For Cont-Canc (A/P& Commit)	\$ 171,000
MN3-HO-60050-6100	
Other Financing Uses	48,137,000
MN3-HO-60050-9910	
Operating Transfers In - Measure B	17,086,000
MN3-HO-60050-9911	
Operating Transfer In	31,372,000

San Fernando Valley Area

MN3-HO-60050-1000	
Salaries & Employee Benefits	\$ 4,090,000
MN3-HO-60050-2000	
Services and Supplies	4,064,000
MN3-HO-60050-5500	
Other Charges	26,784,000
MN3-HO-60050-9433	
Medi-Cal	41,034,000
MN3-HO-60050-9307	
CBRC	4,244,000
MN3-HO-60050-9497	
Miscellaneous Services	16,550,000
Total San Fernando Valley Area	<u>\$ 96,766,000</u>

Antelope Valley Area (High Desert Hospital)

MN6-HD-60060-1000	
Salaries & Employee Benefits	\$ 3,777,000
MN6-HD-60060-2000	
Services and Supplies	7,497,000
MN6-HD-60060-9307	
CBRC	604,000
Total Antelope Valley Area	<u>\$ 11,878,000</u>

Antelope Valley Area

MN6-HD-60060-9911	
Operating Transfer In	\$ 9,047,000
MN6-HD-60060-9912	
Operating Subsidy	2,829,000
MN6-HD-60060-6100	
Other Financing Uses	2,000
	<u>\$ 11,878,000</u>

SB 855 Enterprise Fund

MN2-HS-60070-3085	
Designation for DHS	\$ 38,421,000
MN2-HS-60070-9912	
Operating Subsidy	30,180,000
Total SB 855 Enterprise Fund	<u>\$ 68,601,000</u>

SB 855 Enterprise Fund

MN2-HS-60070-3085	
Designation for DHS	\$ 6,644,000
MN2-HS-60070-3026	
Reserve for DHS Long Term Receivables	38,421,000
MN2-HS-60070-6100	
Other Financing Uses	23,536,000
	<u>\$ 68,601,000</u>
Total Enterprise Fund	<u>\$ 432,991,000</u>

DEPARTMENT OF HEALTH SERVICES
YEAR-END BUDGET ADJUSTMENT
FISCAL YEAR 2004-05

4-VOTE

SOURCES:

AIDS

AO1-HS-25770-3306
Approp. For Cont-Canc (A/P& Commit) \$ 1,209,000

AO1-HS-25770-1000
Salaries & Employee Benefits 1,012,000

AO1-HS-25770-2000
Services and Supplies 4,605,000

Alcohol & Drug

AO1-HS-20400-9433
Medi-Cal \$ 2,627,000

AO1-HS-20400-8831
State-Other 6,243,000

Children's Medical Services

AO1-HS-25740-1000
Salaries & Employee Benefits \$ 5,412,000

AO1-HS-25740-2000
Services and Supplies 3,253,000

AO1-HS-25740-5500
Other Charges 2,122,000

Public Health Services

AO1-HS-23450-3306
Approp. For Cont-Canc (A/P& Commit) \$ 3,712,000

AO1-HS-23450-1000
Salaries & Employee Benefits 8,865,000

AO1-HS-23450-2000
Services and Supplies 12,136,000

AO1-HS-23450-5500
Other Charges 2,030,000

Health Services Administration

AO1-HS-20000-3306
Approp. For Cont-Canc (A/P& Commit) \$ 3,121,000

AO1-HS-20000-1000
Salaries & Employee Benefits 8,443,000

AO1-HS-20000-2000
Services and Supplies 32,750,000

AO1-HS-20000-5500
Other Charges 1,152,000

AO1-HS-20000-6030
Equipment 1,484,000

USES:

AIDS

AO1-HS-25770-9001
Federal - Other Revenue \$ 6,753,000

Alcohol & Drug

AO1-HS-20400-2000
Services and Supplies \$ 8,871,000

Children's Medical Services

AO1-HS-25740-8831
State - Other Revenue \$ 9,014,000

Public Health Services

AO1-HS-23450-8831
State - Other Revenue \$ 9,361,000

Health Services Administration

AO1-HS-20000-6800
Intrafund Transfer \$ 14,148,000

AO1-HS-20000-9825
Other General Fund Dept 55,842,000

AO1-HS-20000-9426
Community Health Plan 1,399,000

BA # 398 AUG. 22, 2005

DEPARTMENT OF HEALTH SERVICES
YEAR-END BUDGET ADJUSTMENT
FISCAL YEAR 2004-05

4-VOTE

SOURCES:

Office of Managed Care

AO1-HP-19975-3306
Approp. For Cont-Canc (A/P& Commit) \$ 2,715,000

AO1-HP-19975-2000
Services and Supplies 18,261,000

Juvenile Court Health Services

AO1-HS-20600-1000
Salaries and Employee Benefits \$ 2,453,000

AO1-HS-20600-2000
Service & Supplies 1,300,000

General Fund - Health

AO1-HS-19998-5500
Other Charges \$ 203,249,000

Non-Departmental Revenue (VLF)

AO1-ND-10591-8716
State Vehicle License Fee - AB 1288 \$ 16,504,000

RLA Water Tank

AO1-HS-69271-6014
Fixed Assets - Building & Improv. 100,000

H/UCLA Surgery Emergency Room

AO1-HS-77176-6014
Fixed Assets - Building & Improv. 108,000

Olive View Water Tank

AO1-HS-77444-6014
Fixed Assets - Building & Improv. 100,000

El Monte CHC Seismic Retro

AO1-HS-86505-6014
Fixed Assets - Building & Improv. 188,000 ~~180,000~~

Central HC Seismic Retro

AO1-HS-86509-6014
Fixed Assets - Building & Improv. 396,000

Hudson CHC Seismic Retro

AO1-HS-86514-6014
Fixed Assets - Building & Improv. 192,000

H/UCLA Refurb Parlow Library

AO1-HS-86516-6014
Fixed Assets - Building & Improv. 104,000

Central HC X-Ray Space

AO1-HS-86571-6014
Fixed Assets - Building & Improv. 214,000

H/UCLA Radiology Room Renovation

AO1-HS-86600-6014
Fixed Assets - Building & Improv. 1,000

PH Laboratory Relocation

AO1-HS-86602-6014
Fixed Assets - Building & Improv. 2,351,000 ~~2,350,000~~

USES:

Office of Managed Care

AO1-HP-19975-9426
CHP - Medi-Cal \$ 16,410,000

AO1-HP-19975-R206
CHP - Healthy Families 3,990,000

AO1-HS-20600-6800
Intrafund Transfer \$ 899,000

General Fund - Health

AO1-HS-19998-9299
Operating Transfers \$ 203,249,000

DEPARTMENT OF HEALTH SERVICES
YEAR-END BUDGET ADJUSTMENT
FISCAL YEAR 2004-05

4-VOTE

SOURCES:

USES:

HD Conversion to a MACC

AO1-HS-86609-6014
Fixed Assets - Building & Improv. 28,000

HHH Hot Water Pipe Replacement

AO1-HS-86637-6014
Fixed Assets - Building & Improv. 280,000

EI Monte Pharmacy Renovation

AO1-HS-86701-6014
Fixed Assets - Building & Improv. 250,000

PH BT Grant Unit 11th Fl Space Plan

AO1-HS-86711-6014
Fixed Assets - Building & Improv. 6,000

H/UCLA Cath Lab

AO1-HS-86728-6014
Fixed Assets - Building & Improv. 195,000

OVMC Cath Lab

AO1-HS-86729-6014
Fixed Assets - Building & Improv. 192,000

General Fund Subsidy - (RLA)

AO1-AC-21230-6100
Operating Transfers Out \$ 7,936,000

General Fund Subsidy - (Antelope Valley Area)

AO1-AC-21234-6100
Operating Transfers Out \$ 2,829,000

General Fund Subsidy - (SB 855 Enterprise Fund)

AO1-AC-21236-6100
Operating Transfers Out \$ 30,180,000

Total General Fund \$ 360,122,000

\$ 360,122,000

Total Department \$ 793,113,000

\$ 793,113,000

Noted & Approved:

 8/24/05
Efrain Munoz, Chief, Contoller's Division
Department of Health Services

Final

BA#398 , Aug. 22. 2005

76R 352M 11/83

COUNTY OF LOS ANGELES
REQUEST FOR APPROPRIATION ADJUSTMENTDEPT'S.
No.

DEPARTMENT OF Health Services

August 25, ~~xx~~ 2005

AUDITOR-CONTROLLER.

THE FOLLOWING APPROPRIATION ADJUSTMENT IS DEEMED NECESSARY BY THIS DEPARTMENT. WILL YOU PLEASE REPORT AS TO ACCOUNTING AND AVAILABLE BALANCES AND FORWARD TO THE CHIEF ADMINISTRATIVE OFFICER FOR HIS RECOMMENDATION OR ACTION.

ADJUSTMENT REQUESTED AND REASONS THEREFOR

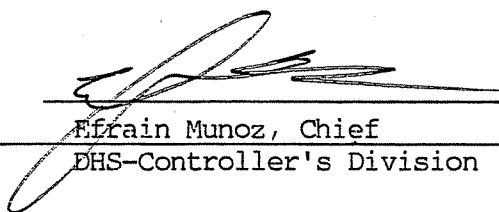
BUDGET ADJUSTMENT
FISCAL YEAR 2004-05
4-VOTE

Please see attached for details.

Justification:

This budget adjustment is necessary to realign the available funding for operating transfer out to various DHS Hospitals for the Measure B Special Revenue fund in FY 2004-05.

EM:mm
08/25/05


Efrain Munoz, Chief
DHS-Controller's Division

CHIEF ADMINISTRATIVE OFFICER'S REPORT

REFERRED TO THE CHIEF
ADMINISTRATIVE OFFICER FOR—

ACTION

APPROVED AS REQUESTED

AS REVISED

RECOMMENDATION

SEPTEMBER 8, 2005

DAVID F. JANSSEN

AUDITOR-CONTROLLER BY

APPROVED (AS REVISED):
BOARD OF SUPERVISORS

19

No. 399

AUG 22 2005

BY

DEPUTY COUNTY CLERK

SEND 6 COPIES TO THE AUDITOR-CONTROLLER

DEPARTMENT OF HEALTH SERVICES
MEASURE B BUDGET ADJUSTMENT
FISCAL YEAR 2004-05

4-VOTE

SOURCES:

Measure B - LAC+USC Medical Center
BW9-HS-41014-6100
Operating Transfers Out \$ 23,990,000

Measure B - Administrative/Other
BW9-HS-41017-2000
Services and Supplies 1,400,000

Measure B -
BW9-HS-41017-3301
Other Fund Balance Available 2,000

Total \$ 25,392,000

USES:

Measure B - Harbor/UCLA Medical Center
BW9-HS-41012-6100
Operating Transfers Out \$ 4,097,000

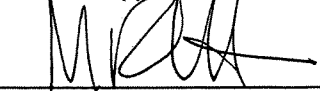
Measure B - King/Drew Medical Center
BW9-HS-41015-6100
Operating Transfers Out 2,809,000

Measure B - Olive View Medical Center
BW9-HS-41013-6100
Operating Transfers Out 17,086,000

Measure B - PSIP 2004-05
BW9-HS-41018-2000
Services and Supplies 1,400,000

\$ 25,392,000

Noted & Approved:

 for EM

Efrain Munoz, Chief, Contoller's Division
Department of Health Services

Final

BA# 399 AUG. 22, 2005

DEPARTMENT OF HEALTH SERVICES
SUMMARY EXPLANATION OF BUDGETARY VARIANCES
FISCAL YEAR 2004-05
(\$ In Millions)

Sources	FY 2004-05	
Surplus from Operations:		
- Current Fiscal Year	\$ (8.7)	
- Prior Fiscal Years	1.6	
Subtotal	<u>\$ (7.1)</u>	
Extraordinary Expenditure Variances:		
- Hiring Delays/Freezes	\$ 27.9	(A)
- Employee Benefits	13.2	
- Nursing Registries	(29.4)	
- Clinical Resources Management	23.6	(B)
- Other Charges	28.1	(C)
- Fixed Asset Surplus	1.4	
- Commitment/Payables Cancellations	16.4	
- Capital Projects	4.7	
Subtotal	<u>\$ 85.9</u>	
Extraordinary Funding Variances:		
- Medi-Cal	\$ (83.6)	(D)
- AB 915	1.0	
- CBRC	6.5	(E)
- SB 855	(4.4)	
- 1115 Waiver Administrative Cost Reimbursement	(0.1)	
- Tobacco Tax (CHIP)	(1.2)	
- Mental Health Services	(4.1)	
- Vehicle License Fees	16.5	(F)
- CHP Equity Distribution	(2.8)	
Subtotal	<u>\$ (72.2)</u>	
Total Fiscal Year 2004-05	<u>\$ 6.6</u>	
Other:		
- Designation Balance	<u>\$ 397.3</u>	
June 30, 2005 Designation Balance	<u><u>\$ 403.9</u></u>	

Notes:

- (A) Reflects the inability to fill the AB 394 Nursing Staffing Ratio items.
- (B) Surplus primarily due to program implementation delays based on the unavailability of necessary technology solutions.
- (C) Surplus primarily due to savings in medical malpractice (\$10.4M), LAC-CAL (\$3.4M) and debt service (\$14.3M).
- (D) Deficit due to increased TAR denial rates and reduced census levels at DHS facilities.
- (E) Surplus primarily due to the latest audit results.
- (F) Per final estimates provided by CAO.